

Message Text

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66

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 INT-08 NSC-07

SS-20 STR-08 CEA-02 FEA-02 PA-04 PRS-01 USIA-15 DRC-01

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R 172022Z JUN 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 9021

INFO AMEMBASSY LONDON

LIMITED OFFICIAL USE SANTIAGO 3521

EO 11652: N/A

TAGS: EFIN, CI

SUBJ: BRITISH COMPANY REPORTEDLY UNABLE TO PROCEED
WITH LOCAL SMELTER CONSTRUCTION

1. JUNE 17 LA TERCERA CARRIES AP WIRE STORY FROM LONDON
SUNDAY TIMES THAT BRITISH SMELTER CORPORATION HAD TO CANCEL
\$50 MILLION AGREEMENT WITH CHILE TO BUILD COPPER SMELTER WITH
THOUSAND TONS PER YEAR CAPACITY. DEAL REPORTEDLY FELL THROUGH
DUE TO UNWILLINGNESS OF BRITISH GOVERNMENT (ECGD) TO GUARANTEE
CREDITS FOR PROJECT, THUS CAUSING COMMERCIAL BANKS TO WITH-
DRAW THEIR FINANCIAL BACKING. ARTICLE STATES THAT IN CANCELLING
AGREEMENT BRITISH ARE VOIDING CHILEAN GUARANTEE TO SUPPLY
GIVEN QUANTITY OF COPPER EACH YEAR TO GREAT BRITAIN. BRITISH
SMELTER REPORTEDLY LOOKING FOR FINANCING IN OTHER EUROPEAN
COUNTRIES BOTH WEST AND EAST.

2. BRITISH EMBASSY SOURCE INFORMED EMBOFF THAT PRELIMINARY
STUDIES FOR CHANARAL SMELTER HAD BEEN PREPARED BY BRITISH
SMELTER DURING ALLENDE ADMINISTRATION. TO HIS KNOWLEDGE NO
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FINAL AGREEMENT WAS EVER SIGNED, BECAUSE BRITISH SMELTER COULD

NEVER FIND FINANCING. SOURCE SPECULATED BRITISH SMELTER MIGHT
BE TRYING TO USE PRESS PUBLICITY IN EFFORT TO SECURE FINANCING.
HE KNEW OF NO CONNECTION BETWEEN BRITISH SMELTER PLANS AND
CHILEAN COPPER EXPORTS TO THE UK.
THOMPSON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: METAL INDUSTRY, CONSTRUCTION, COPPER
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Comment: n/a
Review Content Flags:
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Review Exemptions: n/a
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Review Markings:

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30 JUN 2005

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Review Withdrawn Fields: n/a
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